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Shultz Plays His Hand At State

George Shultz returned from Europe to confront senior administration colleagues poised to counterattack his State Department purge out of fear that a policy takeover will follow the secretary's takeover of personnel.

The counterattack may be too late. Shultz has diligently cultivated Ronald Reagan. He got the president's blessing last month to replace any political appointee he chose with Foreign Service bureaucrats, few of whom share Reagan's ideological toughness. A Cabinet-level Reaganite explained to us: "Shultz told Reagan if he wanted him to stay on, he must control personnel decisions at State." Not wanting a Shultz resignation, the president agreed.

Reaganites high in the president's confidence doubt that he fully understood what he agreed to. Not until last week was Reagan made fully aware that the immense power he had awarded Shultz was being exercised with a vengeance at the State Department, purging Reaganite assistant secretaries and ambassadors in preparation for the second term. "George has overplayed his hand," a critical official told us.

But it may be too late to prevent Shultz from continuing to play that hand. The question is whether old Reaganites will really fight. Three of them—presidential counselor Edwin Meese III, CIA Director William Casey and Interior Secretary William P. Clark—were scheduled to meet at the White House last Friday with one of the purged officials: Hugh Montgomery, director of intelligence and research.

Meese in private has used uncharacteristically strong language in describing Shultz's sweep. Clark and Defense Secretary Caspar Weinberger are also angry and have let their views be known to the president. Still, the hour is late and the odds long.

A focal point of the charge that Shultz is running away from Reagan's policy is the prospective firing of Richard McCormack, a former aide to Sen. Jesse Helms, as assistant secretary for economic affairs. Only last Aug. 8, the president sent McCormack a personal letter praising him as "one of those team players whose low-key efforts have contributed to the... success of our policies."

The secretary's critics inside the administration privately blame two young Foreign Service officers on Shultz's secretariat—Charles Hill and Jock Covey—for playing a central purge role, partly by their control of the paper flow. The fact that Daniel Terra, a rich Reaganite who is the unpaid ambassador at large for cultural affairs, is on the purge list fuels suspicions that outsiders are no longer welcome at the State Department.

But this is not entirely a Foreign Service putsch. The esteemed John Negroponte, a tough F.S. officer, is being replaced as ambassador to Honduras, a key Central American post, by Deputy Assistant Secretary L. Craig Johnstone. Reaganites call Johnstone soft on the president's policies.

The real battle against Shultz may come from Sen. Jesse Helms and his right-wing Senate colleagues. Unable to move in as chairman of the Foreign Relations Committee for home-state political reasons, Helms is eager to redeem his conservative credentials in the foreign policy area by blocking Shultz's new choices for top jobs. "The next diplomatic nominee able to win Senate confirmation may be a new secretary of state," an administration insider told us, only half in jest.

That all this may have less to do with policy—as of now—than the whims of George Shultz is suggested by his personal request to hard-line Undersecretary William Schneider to stay.

The eventual policy impact can only be dimly perceived. But with Shultz now in the close embrace of the Foreign Service, the president's diplomacy is likely to be turned away from his own strong ideological convictions on the world struggle.

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